

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 3678

March 10, 2012

SUMMARY OF BILL: Requires food containing more than one-tenth of a percent of the weight of any food derived in whole or in part from genetically engineered micro-organisms, plants, or livestock to be labeled “genetically engineered” on the display panel. Classifies the attaching of a misleading label on genetically engineered food as an unfair or deceptive act under the Consumer Protection Act, a Class B misdemeanor.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$206,000/One-Time
\$187,700/Recurring**

Assumptions:

- According to the Department of Agriculture (TDOA), the Department will implement a sampling program to ensure compliance with labeling requirements. Fifty samples at an estimated cost of \$3.75 per sample will be tested each week. The cost for laboratory supplies is \$20 per sample. As a result, the recurring increase to state expenditures will be \$61,750 [(\$3.75 per sample + \$20 lab supplies per sample) x 50 samples x 52 weeks].
- TDOA will hire one additional Chemist 2 position, which will result in a recurring increase in state expenditures of \$46,691 (\$35,476 salary + \$11,215 benefits).
- TDOA will hire one additional part-time Food and Dairy Inspector 2 position. It is estimated that the Inspector 2 will work 800 hours each year at a cost of \$17.43 per hour. The result is a recurring increase in state expenditures of \$13,944 (800 hours x \$17.43).
- TDOA will hire one additional Administrative Services Assistant 2 (AA) position, which will result in a recurring increase in state expenditures of \$35,009 (\$25,320 salary + \$9,689 benefits)
- TDOA will incur travel and communications costs for two positions. The result will be a recurring increase in state expenditures of \$10,000 (\$7,000 travel + \$3,000 communications).
- TDOA will purchase computers and printers for the new employees. The one-time increase in state expenditures will be \$3,000.
- According to TDOA, the purchase of equipment necessary for product testing will result in a one-time increase in state expenditures of \$203,000. The maintenance contracts for the equipment will result in a recurring increase in state expenditures of \$20,300.

- The one-time increase in state expenditures will be \$206,000 (\$3,000 + \$203,000); the recurring increase in state expenditures will be \$187,694 (\$61,750 + \$46,691 + 13,944 + \$35,009 + \$10,000 + \$20,300).
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', written in a cursive style.

Lucian D. Geise, Executive Director

/sbh